

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY



REPORT
OF THE
TARIFF COMMISSION
ON THE
FAIR PRICES OF SUPERPHOSPHATE FOR
THE PERIOD FROM 1ST JAN.-15TH AUG. 1952.

BOMBAY
1952

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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

(Tariffs)

New Delhi, the 22nd December, 1952.

No.3-T(1)/52.- The prices payable to producers of superphosphate under the Central Phosphate Pool were last revised by the Government of India in the Ministry of Commerce and Industry by their Resolution No.3-T(1)/51, dated the 12th January 1952. The revised prices were fixed for the period July-December 1951. The Tariff Commission who were asked to go into the question of fair ex-works prices of indigenous superphosphate for the year 1952 have submitted their recommendations. As the Central Phosphate Pool was terminated with effect from the 15th August 1952, the recommendations of the Commission relate to the period 1st January 1952 to 15th August 1952 only. The Commission have recommended that the fair prices of superphosphate for the period January-June 1952 should be as follows:-

Name of the Firm	Fair Price per ton for the period January-June, 1952
1. Anil Starch Products Ltd., Ahmedabad.	Rs. 234
2. D.C.M. Chemical Works, Delhi.	251
3. Dharamsi Morarji Chemical Co. Ltd., Bombay.	222
4. Eastern Chemical Co. (India), Bombay.	213
5. Fertilizers and Chemicals (Travancore) Ltd., Alwaye.	215
6. Hyderabad Chemicals and Fertilizers Ltd., Belampalle.	241
7. Mysore Chemical and Fertilizers Ltd., Mysore.	227
8. Parry & Co. Ltd., Madras.	235
9. Phosphate Co. Ltd., Calcutta.	238
10. Premier Chemical Industries, Mysore.	223
11. Sonawala Industries, Bombay.	213
12. Western Chemical Industries, Bombay.	223

(11)

2. The Commission have also recommended that

- (i) as the cost of production of superphosphate is likely to have changed to any appreciable extent, the fair prices recommended for the period January-June 1952 should be made applicable for the period 1st July to 15th August 1952 also;
- (ii) a recovery of Rs. 4.7 per ton should be made from D.C.M. Chemical Works, Delhi, for deliveries made by them to the 'Phosphatic Pool' during 1951 in view of the concession enjoyed by them since 15th August 1950 on the transportation charges on rockphosphate from Bombay to Delhi; and
- (iii) that the prices given in paragraph 1 above should be subject to rebate to State Governments equal to the difference between the freight from the nearest factory to the consuming centre and from the supplying factory to the consuming centre, as agreed to by the manufacturers at their conference with the Government of India (Ministry of Food and Agriculture), held on the 5th/6th May 1952.

3. The Government of India accept the recommendations of the Commission and steps are being taken to implement them. The attention of the industry is invited to the recommendations made in paragraph 2(ii) and (iii) above.

L. K. JHA.

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नमो भगवते वासुदेवाय

**REPORT ON THE FAIR PRICES OF SUPERPHOSPHATE FOR THE
PERIOD FROM 1ST JANUARY TO 15TH AUGUST, 1952**

1. The prices payable to producers of superphosphate under the Central Phosphate Pool were last revised by the Government of India in the Ministry of Commerce and Industry by their Resolution No. 3-T(1)/51 dated 12th January, 1952. The revised prices were fixed for the period, July - December, 1951. The Government of India in the Ministry of Commerce and Industry, by their letter No. 3-T(1)/52 dated 21st January, 1952, requested the Commission to recommend the prices to be paid to producers for the year 1952 (Appendix I). The Commission accordingly undertook the present inquiry.

2. The Government of India have now terminated the Pool arrangements with regard to superphosphate with effect from 15th August, 1952, and it is, therefore, necessary to fix prices of superphosphate for the period from 1st January to 15th August, 1952 only. When this decision was taken, however, the Commission had already collected data regarding the stocks and prices of sulphur and rock phosphate, the two principal materials required for the production of superphosphate, with a view to determining the cost of production of superphosphate during the first half of 1952. Since this falls short of the period now to be covered by one and a half months only, we propose to give our findings in the first instance for the first half of 1952 and then make recommendations with regard to the rest of the period.

3. For the purpose of this inquiry, the manufacturers were requested to declare their stocks of sulphur and rock phosphate as on 31st December, 1951, their purchases of these materials in January-June, 1952, the prices paid by them and their production of sulphuric

acid and superphosphate during the same period. Info regarding the c.i.f. prices of sulphur and rock phosphate was obtained from firms which had imported these materials. Information was obtained from the importers of rock phosphate about their sales to different manufacturers. Data regarding the allotments of sulphur for the third and fourth quarters of 1951 for the production of superphosphate and for other uses were obtained from the Development Wing of the Ministry of Commerce and Industry, Government of India.

4. The following statement shows the production of sulphuric acid and superphosphate since 1949. The figures for individual units for January - June 1952, and 1st July - 15th August, 1952 are given in a statement in Appendix II.

		Production of	
		Sulphuric acid (Tons)	Superphosphate (Tons)
1949*	...	48,021	50,641
1950	...	53,300	52,405
1951	...	52,661	60,574
1952 (January-June)		20,143	25,825
1952 (1st July-15th August)		5,112	6,714

* February to December 1949.

5. (a) In its Report on the revision of fair prices of superphosphate for July - December, 1951, the Board had calculated the average cost of sulphur for each unit during 1951 by taking into account the stocks of sulphur held by the unit on 31st December, 1950 and the entire purchases made, or expected to be made, by it during 1951. This procedure was adopted, because

Change in the cost of production of superphosphate due to the change in the cost of sulphur.

the units had to import sulphur from Italy early in at prices much higher than those at which American sulphur was available later in the year and it was necessary to moderate the effect of the high cost imports from Italy on the prices of superphosphate. Most of the Italian sulphur imported during 1951 has now been used up and American sulphur only is now being used for the manufacture of superphosphate. Hence, for the purpose of determining the average cost of sulphur for each unit during the first half of 1952, we have followed the normal "first in, first out" principle and have taken the cost of the opening stocks of sulphur held by the unit together with that of such additional quantities of sulphur as were required by it on the basis of its production of acid during the period January - June, 1952. The quantity of sulphur required for the manufacture of sulphuric acid is taken at 0.353 ton per ton of acid.

(b) The stocks of sulphur held by each unit on 31st December, 1951 have been valued at the weighted average cost of the stocks on 31st December, 1950 and the purchases made during 1951. In the case of most of the units, the allotments of sulphur made to them for the third and fourth quarters of 1951 were actually available for use in the first half of 1952. The c.i.f. price of sulphur allotted for the third quarter was Rs. 274.554 per ton and that for the fourth quarter was Rs. 289.199 per ton. Both these figures include (i) stevedoring charges, (ii) Rs. 6-10-0 per ton paid to the Sulphur Users' Association and (iii) bank charges incurred by the importers (Appendix III).

(c) The average cost of sulphur during January-June, 1952, calculated on the basis explained above, the change as compared with the average cost of sulphur during 1951 and the consequent change in the cost of production of superphosphate, for each of the manufacturers of superphosphate, are shown in the following statement.

STATEMENT NO. I

Statement showing the change in the cost of production of Superphosphate due to the change in the cost of sulphur during January-June, 1952.

Sl. No.	Name of firm	Stocks on 31-12-51		Additional quantities required out of allocations for *				Weighted average cost per ton of sulphur for 1951	Change in the cost of sulphur (7-8)	Change in the cost of production per ton of Superphosphate (col. 9 x 0.184) **
		Quantity	Weighted average rate per ton	1951 3rd Quarter per ton	1951 4th Quarter per ton	1951 1st Quarter per ton	Tons			
1	2	3	4	5	6	7	8	9	10	11
		Tons	Rs.	Tons	Tons	Tons	Rs.	Rs.	Rs.	Rs.
1.	Anil Starch Products Ltd., Ahmedabad	-	-	273	-	60	277.198	285.860	(+13.045	(+) 1.46
2.	D.C.M. Chemical Works, Delhi.	-	-	376	361	-	281.737	319.159	(-) 37.392	(-) 5.01
3.	Dharamsi Morarji Chemical Co. Ltd., Bombay	1,285	236.527	*	466	-	252.127	252.567	(+) 19.670	(+) 2.02
4.	Eastern Chemical Co. (India), Bombay	139	219.029	*	157	-	256.248	209.228	(+) 49.020	(+) 5.45
5.	Fertilisers & Chemicals (Travancore) Ltd., Alway.	491	231.924	40	1,150	-	236.723	232.677	(+) 4.049	(+) 0.54
6.	Hyderabad Chemicals & Fertilisers Ltd., Belangalli.	350	241.678	35	-	-	244.415	241.674	(+) 2.841	(+) 0.36
7.	Mysore Chemicals & Fertilisers Ltd., Mysore.	218	206.899	259	99	-	251.042	205.899	(+) 47.145	(+) 6.32
8.	Parry & Co. Ltd., Madras	776	294.694	7	-	-	294.615	294.972	(-) 0.457	(-) 0.06
9.	Phosphate Co. Ltd., Calcutta	159	230.600	72	-	-	235.194	251.815	(+) 33.351	(+) 4.47
10.	Premier Chemical Industries, Mysore	28	236.735	47	-	-	234.470	251.815	(+) 39.057	(+) 4.36
11.	Sonawalla Industries Ltd., Bombay	40	244.259	99	99	-	275.554	256.514	(+) 39.840	(+) 5.26
12.	Western Chemical Industries, Bombay	51	239.779	*	34	-	256.540	235.432	(+) 20.128	(+) 2.70

* Allotment already received in 1951 and included in opening stocks for 1952.

** Vide formula given in paragraph 7(3) of the Tariff Board Report on the revision of fair prices of Superphosphate (1951).

(a) At the last inquiry, the average costs of Kossier and Makatea rock phosphates for each unit during 1951 were

Change in the cost of production of superphosphate due to the change in the cost of rock phosphate.

worked out by averaging the cost of opening stocks with that of the total quantities of each variety purchased, or expected to be purchased, during that year. In the present inquiry, however, the average cost of each variety of rock phosphate for each unit during the first half of 1952 has been calculated by taking the cost of the opening stocks held by the unit together with that of such additional quantities as were needed by it to produce superphosphate during January-June 1952. As in the case of sulphur, it has been assumed that each unit will utilise its successive purchases of rock phosphate in the order in which they were made.

(b) Details of the various consignments of Kossier and Makatea phosphates received since October, 1951 including their c.i.f. prices are given in Appendix IV.

(c) It has been assumed that Makatea and Kossier phosphates will be used in the manufacture of superphosphate in the ratio 1:3. The same ratio was adopted at both the inquiries relating to the prices of superphosphate for 1951. The evidence received by us, however, shows that these two varieties of rock phosphate are actually used in varying ratios by different manufacturers. We have, however, adhered to the ratio of 1 Makatea to 3 Kossier, because we are advised that any change in the ratio should, in a reasonably efficient unit, be accompanied by compensatory changes in the total quantity of rock phosphate and the quantity of sulphuric acid consumed per ton of superphosphate (a relatively greater use of Makatea phosphate which, though priced higher, is richer in its phosphatic content, being accompanied by a reduction in the total consumption of rock phosphate and also in the consumption of acid), and that the overall incidence of the change on the cost of production of superphosphate should consequently be small. From the data received by us, it appears that a few of the manufacturers are probably using a

relatively higher proportion of Makatea phosphate reducing their total consumption of rock phosphate. We however, taken no account of such variations from the standard ratio which was adopted by the Tariff Board at the 1950 inquiry in consultation with the manufacturers themselves.

(d) The average costs of Makatea and Kossier phosphates and of the combination of these two varieties in the ratio of 1 : 3 for January-June, 1952, the change as compared with the average cost of the same combination during 1951 and the consequent incidence on the cost of production of superphosphate, for each of the manufacturers of superphosphate, are given in the Statement No. II on page 7.

7. We understand from the D.C.M. Chemical Works that they have been granted a special rate of Rs. 30-8-0 per ton for transport of rock phosphate from Bombay to Delhi since 15th August, 1950, as against the rate of Rs. 38-5-0 per ton adopted by the Board at the 1950 inquiry. This information was not available to the Tariff Board when they fixed the prices for this firm at the 1950 and the 1951 inquiries. The reduction in the cost of production of superphosphate on account of this concession works out to Rs. 4.7 per ton of superphosphate. This has been taken into account in working out the cost of production for January-June, 1952. As regards the earlier period since the rock phosphate transported at the concessional rate is likely to have been used mostly in 1951, a refund of Rs. 4.7 per ton of superphosphate is due from the firm for deliveries made by it during that year.

8. Prices of gunny bags have fallen considerably since February, 1952. In calculating the average packing cost of superphosphate during the first half of 1952, however, allowance has to be made for the probable stocks of gunny bags carried over from last year. We have accordingly calculated the average cost of gunny bags on the basis of the actual prices quoted in the Calcutta market at or about the end of each week during the six months from December, 1951 to May, 1952. The average cost of new gunny

STATEMENT NO. 11.

Statement showing the change in the cost of production of Superphosphate due to the change in the cost of rock phosphate during January/June, 1953.

Sl. No.	Name of the Firm	Receipts on 31-12-1952				Estimated production in January, 1953				Average cost per ton of rock phosphate				Average cost per ton of superphosphate				Change in the cost of production of superphosphate			
		Quantity		Value		Quantity		Value		Quantity		Value		Quantity		Value		Quantity		Value	
		Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton	Per ton
1.	Acil Search Products, Ltd., Almaden.	1,102	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
2.	D.C.K. Chemicals, Ltd., Delhi.	1,100	120,400	-	-	-	-	1,100	120,400	120,400	120,400	111,100	99,400	(4)	11,000	(4)	11,000	(4)	11,000	(4)	11,000
3.	Chemical Co. Ltd., Bombay.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
4.	Eastern Chemical Co. (India) Private Ltd., Calcutta.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
5.	Perillone & Chemicals (India) Private Ltd., Aligarh.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
6.	Superphosphate Chemicals & Perillone Ltd., Bangalore.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
7.	Super Chemicals & Perillone Ltd., Madras.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
8.	Perry & Co. Ltd., Madras.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
9.	Phosphate Co. Ltd., Calcutta.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
10.	Prater Chemical Industries, Mysore.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
11.	Samuels Industries, Madras.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400
12.	Super Chemical Industries, Madras.	1,100	120,400	1,000	70,000	-	-	-	-	120,400	70,000	97,400	94,000	(4)	8,400	(4)	8,400	(4)	8,400	(4)	8,400

* The formula given in paragraph V(3) of the Tariff Board Report on the Revision of Tariff Prices of Superphosphate (1951).

bags calculated on this basis comes to Rs. 192 per (Appendix V). The transport charges from Calcutta to facturing centres are estimated on an average at Rs. 5 per 100 bags. On the basis of the data furnished by one of the manufacturers, the average cost of second-hand gunny bags during the same period has been estimated at Rs. 131 per 100 bags. Thus, the packing cost per ton of superphosphate during January-June, 1952 comes to :

		Rs.
10 new bags at Rs. 197 per 100	=	19.7
10 second-hand bags at Rs. 131 per 100 bags ...	=	13.1
Packing charges...	=	2
Total		<u>34.8</u>

The packing cost estimated by the Board at the last inquiry was Rs. 43.3 per ton of superphosphate. The reduction in the cost of production of superphosphate on this account, therefore, comes to Rs. 8.5 per ton.

9. The total change in the cost of production of superphosphate in January-June, 1952 in the case of each of the superphosphate manufacturers due to the various factors mentioned above is shown in Statement III on page 9.

10. (a) As already stated in the Tariff Board report dated 16th October, 1951, three of the superphosphate manufacturers, viz.; the National Fertilisers Ltd., the Phosphate Co. Ltd., and the Premier Chemical Industries, do not have acid plants of their own. Of these, the National Fertilisers are no longer in production. The Premier Chemical Industries were given a special price of Rs. 261 per ton for the period July to December, 1951. This price included an allowance of Rs. 34.8 per ton, in consideration of the fact that the firm had to purchase its acid requirements from other producers. The concession was recommended by the Board for the period up

STATEMENT NO. III.

Statement showing the change in the cost of production of superphosphate during January to June 1952 as compared with 1951.

Sl. No.	Name of the firm	Change in the cost of production of superphosphate due to change in the cost of			Change in the cost of production of superphosphate due to change in railway freight on rock phosphate	Total
		Sulphur	Rock	Gunny bags		
		Rs.	Rs.	Rs.	Rs.	Rs.
1.	Anil Starch Products Ltd., Ahmedabad.	1.85	2.32	-8.50		-4.33
2.	D.C.M. Chemical Works, Delhi.	- 6.01	10.77	-8.50	-4.70	-7.44
3.	Dharamsi Morarji Chemical Co. Ltd., Bombay.	2.62	5.29	-8.50		-0.59
4.	Eastern Chemical Co. Ltd., Bombay.	6.43	3.00	-8.50		0.93
5.	Fertilisers & Chemicals (Trevancore) Ltd., Alwaye.	0.54	1.20	-8.50		-6.76
6.	Hyderabad Chemicals & Fertilisers Ltd., Belampalli.	0.38	10.73	-8.50		2.61
7.	Mysore Chemicals & Fertilisers Ltd., Mysore.	6.82	9.65	-8.50		7.97
8.	Perry & Co. Ltd., Madras.	-0.06	13.18	-8.50		4.52
9.	Phosphate Co. Ltd., Calcutta.	4.47	5.92	-8.50		1.89
10.	Premier Chemical Industries, Mysore.	4.58	1.37	-8.50		-2.75
11.	Sonawala Industries Ltd., Bombay.	5.28	-	-8.50		-3.22
12.	Western Chemical Industries, Bombay.	2.70	3.12	-8.50		-2.68

to 31st December, 1951 only. The firm has so far taken no steps to put up a sulphuric acid plant and does not intend to do so until the supply position of sulphur improves. We, therefore, recommend that no concession need be granted to this firm on account of its being a non-producer of acid for the period under review.

(b) At the inquiry held in October, 1951, the Phosphate Co. Ltd., Calcutta, had stated that they expected to be able to start the production of acid by 31st December, 1951 and that they would not ask for any further extension of the concession granted to them by way of a special increase in the price of superphosphate. The increase granted was Rs. 33.6 per ton for July-December, 1951. They have now stated that although the construction of the building for the sulphuric acid plant is complete and consignments of parts of the plant have started coming in, the entire plant will be erected only in October 1952. The delay has been due to the failure of the suppliers in the U.K. to effect deliveries at the dates previously agreed. We have examined the documentary evidence furnished by the firm and are satisfied that the delay in erection of the plant was due to reasons beyond the control of the firm.

We, therefore, consider that the Phosphate Co. should be granted over and above the increase in cost of sulphur allotted to them, the difference between the conversion costs allowed by the Board to other producers at the 1950 inquiry and the actual charges paid by this firm to the acid supplier. The firm is also incurring certain additional transport charges on rock phosphate. We have examined the position and consider that these extra charges should be allowed.

The increase on account of these factors works out to Rs. 15 per ton (vide Appendix VI) and the price payable to the firm for January-June 1952 will, therefore, be Rs. 223 (Statement IV) plus Rs. 15 i.e., Rs. 238 per ton of superphosphate.

11. On the basis of our findings in the preceding paragraphs, we recommend that the superphosphate manufacturers listed in the Statement IV on page 12 should be paid the prices mentioned against them for the period January-June, 1952.

Fair prices
of superphos-
phate for
January-June,
1952.

12. The fair prices of superphosphate have been arrived at by taking into account the actual cost of raw materials for individual units and the conversion cost as estimated by the Tariff Board for a representative unit. It is possible, therefore, that certain units may be able to offer reductions in the prices fixed for them in order to encourage their sales. We understand that at a conference of superphosphate manufacturers with the Government of India held on 5th May, 1952, the manufacturers have agreed to give rebates to State Governments to the extent of the difference between the freight from the nearest factory to the consuming centre and that from the supplying factory. The prices recommended by us in para. 11 above should, therefore, be subject to the rebates which the manufacturers have agreed to give under this arrangement.

Rebate in
freight
charges agreed
to by the in-
dustry.

13. As stated earlier, the Government of India have discontinued the Central Phosphate Pool with effect from 15th August, 1952. As the cost of production of superphosphate is not likely to have changed to any appreciable extent as compared with January-June, 1952, we recommend that the fair prices of superphosphate recommended above for that period should be made applicable to the period from 1st July to 15th August, 1952 also.

Fair prices of
superphosphate
for the period
1st July to
15th August,
1952.

STATEMENT NO. IV

Price of Superphosphate recommended for January to June 1952.

Serial No.	Name of the firm	Basic price per ton recommended for 1951	Increase or decrease for 1952 as per Statement No. III	Price per ton for January to June 1952
		Rs.	Rs.	Rs.
1.	Anil Starch Products Ltd., Ahmedabad.	236	-4	234
2.	D.C.M. Chemical Works, Delhi.	268	-7	261
3.	Dharamsi Morarji Chemical Co. Ltd., Bombay.	223	-1	222
4.	Eastern Chemical Co. (India), Bombay.	212	1	213
5.	Fertilisers and Chemicals (Travancore) Ltd., Alwaye.	222	-7	215
6.	Hyderabad Chemicals and Fertilisers Ltd., Belampalli.	238	3	241
7.	Mysore Chemicals & Fertilisers Ltd., Mysore.	220	7	227
8.	Parry & Co. Ltd., Madras.	231	5	236
9.	Phosphate Co. Ltd., Calcutta.	221 (a)	2 + 15 (c)	238
10.	Premier Chemical Industries, Mysore.	226 (b)	-3	223
11.	Sonawala Industries, Bombay.	216	-3	213
12.	Western Chemical Industries, Bombay.	226	-3	223

(a) Basic price for 1951, Rs. 255 minus allowance for high cost of purchased acid Rs. 34 - Rs. 221.

(b) Basic price for 1951, Rs. 261 minus allowance for high cost of purchased acid Rs. 35 - Rs. 226.

(c) Statement III and paragraph 10.

14. We wish to thank Shri S.T. Raja, Deputy Secretary, Government of India, Ministry of Food and Agriculture, for giving us the benefit of his views on certain aspects of this inquiry. Our thanks are also due to Shri S.S. Mehta, our Technical Adviser and Shri R. Sundaram, Cost Accounts Officer attached to the Commission for their assistance in carrying out this inquiry.

B.V. NARAYANASWAMY,
Member.

B.N.. ADARKAR,
Member.

D.K. MALHOTRA,
Secretary.

Bombay,
17.9.52.



APPENDIX I
 (Vide Paragraph 1)
 No. 3-T(1)/52.
 GOVERNMENT OF INDIA
 MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 21st January, 1952.

From

W.A. Rose, Esquire,
 Under Secretary to the Govt. of India.

To

The Secretary,
 Indian Tariff Board,
 Contractor Building,
 Nicol Road, Ballard Estate,
 Bombay.

Sub:- Fixation of fair prices of superphosphate
 for the year 1952.

Sir,

I am directed to refer to this Ministry's Resolution No. 3-T(1)/51 dated the 27th March 1951 and the 12th January 1952 respectively in which the Government of India accepted the prices to be paid for superphosphate for the year 1951 as recommended by the Board. The present indications are that the Central Phosphate Pool in which the entire production of single superphosphate of the member factories is purchased by the Ministry of Food and Agriculture for distribution to the cultivators through the State Governments will continue right through the year 1952. It is, therefore, requested that the Tariff Board may kindly go into the

question of fair ex-works prices of indigenous superphosphate for the year 1952 and submit their Report to Government by the end of February 1952 as far as possible.

2. I am to add that, if required, a representative of the Ministry of Food and Agriculture will be glad to assist the Tariff Board in this enquiry on any date that may be suggested by the Board.

Yours faithfully,

Sd.-/W.A. Rose

UNDER SECRETARY TO THE GOVERNMENT OF INDIA.



APPENDIX II
(Vide paragraph 4)

Statement showing the production of sulphuric acid and superphosphate during January to June and 1st July to 15th August, 1952.

Name of the firm	Production of acid		Production of Superphosphate	
	January-June	1st July-15th Aug.	January-June	1st July-15th Aug.
	Tons	Tons	Tons	Tons
1. Anil Starch Products Ltd.	943	374	1,886	280
2. D.C.M. Chemical Works	2,440	587	2,885	84
3. Dharamsi Morarji Chemical Co. Ltd.	4,763	910	6,547	864
4. Eastern Chemical Co. Ltd.	1,453	353	759	268
5. Fertilisers & Chemicals (Travancore) Ltd.	4,792	856	3,813	2,091
6. Hyderabad Chemicals & Fertilisers Ltd.	1,086	291	2,710	776
7. Mysore Chemicals & Fertilisers Ltd.	1,829	689	730	165
8. Parry & Co. Ltd.	2,211	851	3,269	1,368
9. Phosphate Co. Ltd.	-	-	1,575	15
10. Premier Chemical Industries.	-	-	637	380
11. Sonawala Industries Ltd.	673	201	403	83
12. Western Chemical Industries	153	-	621	200
Total	20,143	5,112	25,825	6,714

APPENDIX III

[Vide paragraph 5(c)]

STATEMENT SHOWING THE C.I.F. PRICE OF SULPHUR IMPORTED AGAINST THE ALLOTMENTS TO MANUFACTURERS FOR THE 3RD AND 4TH QUARTER OF 1951

S. No.	Name of the Importer	Country of origin	Quantity imported	F.O.B. price	Freight	Insurance	C.I.F. price	Exchange rate	C.I.F. price (1.C)	Remarks
			Tons	\$	\$	\$	\$		Rs.	
1.	Nunavati & Co. Ltd., Bombay.	U.S.A.	11,000	25.00	29.00	0.82	54.82	Rs. 47s. 25 per \$ 100.00	251.220	Imported against allotment for 3rd quarter of 1951.
2.	-do-	U.S.A.	5,000	26.50	29.00	0.70	56.20	Rs. 481.25 per \$ 100.00	270.465	Imported against allotment of 4th quarter of 1951.
3.	Sepulchre Bros. (India) Ltd., Bombay.	U.S.A.	9,000	26.00	29.00	0.57	57.57	Rs. 481.25 per \$ 100.00	277.056	Imported against allotment of 4th quarter of 1951.

The prices given in Statement I are worked out as follows:-

3rd quarter		4th quarter		Sepulchre Bros.	
Nunavati & Co.		Nunavati & Co.			
C.I.F. Price	Rs. 251.220	C.I.F. price	Rs. 270.453		Rs. 277.056
Bank charges	Rs. 4.806	Bank charges	Rs. 4.235		Rs. 4.524
Stevedoring charges		Stevedoring charges	Rs. 2.500		Rs. 5.010
Importers' Commission & I.C.H.A. charges		Importers' commission & I.C.H.A. charges			
	6.625		6.625		6.625
	Rs. 274.654		Rs. 283.823		Rs. 291.215

Weighted average for both importers for 4th quarter 289.199.

APPENDIX V

(Vide paragraph 8)

A. Statement showing wholesale prices of 'B' Twills at Calcutta from December to May, 1952.

Month	Date	Average	Per 100 bags		
		Ra	Ra.	As.	Ps.
December '51	1-12-'51		255	0	0
	8-12-'51		259	0	0
	15-12-'51		264	0	0
	22-12-'51		262	0	0
	29-12-'51	259	253	0	0
January '52	5-1-'52		254	0	0
	12-1-'52		260	0	0
	19-1-'52		244	0	0
	26-1-'52	247	240	0	0
February '52	2-2-'52		235	0	0
	9-2-'52		206	0	0
	16-2-'52		205	0	0
	23-2-'52	208	185	0	0
March '52	1-3-'52		180	0	0
	8-3-'52		153	0	0
	15-3-'52		135	0	0
	22-3-'52		168	0	0
	29-3-'52	189	156	0	0
April '52	5-4-'52		152	0	0
	12-4-'52		147	0	0
	19-4-'52		155	0	0
	26-4-'52	150	145	0	0
May '52	3-5-'52		141	0	0
	10-5-'52		139	0	0
	17-5-'52		133	0	0
	24-5-'52		125	0	0
	31-5-'52	130	113	8	0

Source: "Index numbers of wholesale prices in India" issued by the Economic Adviser to the Government of India.

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(Vide paragraph 8)

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	8-12-'51		259	0	0
	15-12-'51		264	0	0
	22-12-'51		262	0	0
	29-12-'51	259	253	0	0
January '52	5-1-'52		254	0	0
	12-1-'52		260	0	0
	19-1-'52		244	0	0
	26-1-'52	247	240	0	0
February '52	2-2-'52		235	0	0
	9-2-'52		206	0	0
	16-2-'52		205	0	0
	23-2-'52	208	185	0	0
March '52	1-3-'52		180	0	0
	8-3-'52		153	0	0
	15-3-'52		135	0	0
	22-3-'52		168	0	0
	29-3-'52	189	156	0	0
April '52	5-4-'52		152	0	0
	12-4-'52		147	0	0
	19-4-'52		155	0	0
	26-4-'52	150	145	0	0
May '52	3-5-'52		141	0	0
	10-5-'52		139	0	0
	17-5-'52		133	0	0
	24-5-'52		125	0	0
	31-5-'52	130	113	8	0

Source: "Index numbers of wholesale prices in India" issued by the Economic Adviser to the Government of India.

APPENDIX V - (Continued)

[Vide paragraph 8]


B. Statement showing change in the cost of packing of superphosphate during January-June, 1952.

	Per 100 bags	Per 10 bags
	Rs.	Rs.
1. Average price of new gunny bags during December 1951 to May 1952 *	192	
2. Allowance for transportation etc.	5	
Total cost of new gunnies	197	19.70
3. Estimated cost of second-hand gunny bags	131	13.10
4. Packing charges		2.00
Total cost per ton of superphosphate		34.80
Price allowed for 1951		43.30
Difference	...	-8.50

* The cost of new gunny bags has been calculated on the average of the market prices of "B" Twills at Calcutta

	Rs.
December 1951	259
January 1952	247
February 1952	208
March 1952	159
April 1952	150
May 1952	130
Total	1153
Average	192

@ The cost of second-hand gunny bags has been calculated on the basis of the average of the following purchase rates:



Total	786
Average	131

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APPENDIX VI
(Vide paragraph 10)

Statement showing increase in the cost of production per ton
of superphosphate allowed to the Phosphate Co. Ltd., Calcutta.

	Rs.	Rs.
I. Conversion charges		
(a) Conversion charges paid by the firm to acid suppliers (Hindusthan Heavy Chemicals Ltd.)	75	
(b) Transport charges from the acid plant to Phosphate Co. Ltd.	15	
(c) Shortage in transit, depreciation on containers, etc.	<u>10</u>	
(d) Total per ton of acid	100	
(e) Conversion charges provided by the Board in the 1950 inquiry	<u>72.42</u>	
(f) Extra charges incurred by the firm	27.58	
(g) Increase of (f) on the cost per ton of superphosphate (f) x 0.38		10.48
II. Transport of sulphur		
(a) Transport charges on sulphur from Docks to the acid plant per ton of sulphur	15	
(b) Incidence of (a) on the cost per ton of superphosphate (a) x 0.134		2.01
Transport of rock phosphate		
(a) Transport charges per ton of rock phosphate claimed by the firm	15	
(b) Transport charges allowed by the Board in its 1950 inquiry		
Freight	Rs. 7.50	
Incidental charges	5.00	
	12.50	
(c) Extra transport charges incurred by the firm	4.50	
(d) Incidence of (c) on the cost per ton of superphosphate (c) x 0.608		2.71
Total of I, II and III		<u>15.20</u>
	or	Rs. 15/-

LIST OF REPORTS OF THE INDIAN TARIFF BOARD

I. TARIFF INQUIRIES

(A) NEW CASES

1. Sodium thiosulphate, sodium sulphite (anhydrous) and sodium bisulphite (1946).	PTB 158
2. Bichromates (1946).	PTB 157
3. Phosphates and phosphoric acid (1946).	PTB 156
4. Butter colour and aerated water powder colour (1946).	PTB 154
5. Calcium chloride (1946).	PTB 153
6. Coated abrasives (other than grinding wheels) (1946).	PTB 159
7. Hurricane lanterns (1946).	PTB 152
8. Cocoa powder and chocolate (1946).	PTB 155
9. Wood screws (1946).	PTB 97
10. Bicycles (1946).	PTB 100
11. Caustic soda and bleaching powder (1946).	PTB 88
12. Antimony (1946).	PTB 94
13. Sewing machines (1946).	PTB 101
Aluminium (1946).	PTB 90
Steel baling hoops (1946).	PTB 87
Preserved fruits (1946).	PTB 145
Ferrous metals (1946)	PTB 146
textile machinery (ring frames, spindles inring rings) (1947).	PTB 111
Manufactures (1947).	PTB 110
1 potassium metabisulphites (1947).	PTB 105
and special steel (1947).	PTB 118
do (1947).	PTB 102
do (1947).	PTB 112
do (1947).	PTB 115
eachests (1947).	PTB 113
belting (1947)	PTB 121
	PTB 103
	PTB 104
ether, sulphuric p.b. and and potassium permanganate (1947).	PTB 109
	PTB 120
	PTB 119
	PTB 116
acid (1947).	PTB 117
	PTB 114
	PTB 123
	PTB 125

37. Motor vehicle batteries (1948).	PTB 122
38. Hydraulic brake fluid (1948).	PTB 129
39. Bobbins (1948).	PTB 128
40. Slate and slate pencils (1949).	PTB 138
41. Expanded metals (1949).	PTB 150
42. Cotton textile machinery (ring frames, spindles, spinning rings and plain looms) (1949).	PTB 167
43. Small tools (1949).	PTB 149
44. Plastics (1949).	PTB 160
45. Soda ash (1949).	PTB 165
46. Glass and glassware (1950).	PTB 174
47. Sterilised surgical catgut (1950).	PTB 184
48. Liver extract (1950).	PTB 185
49. Fountain pen ink (1950).	PTB 183
50. Pencils (1950).	PTB 187
51. Fine chemicals (1950).	PTB 182
52. Sago (1950).	PTB 186
53. Belt fasteners (1950).	PTB 189

(B) REVIEW CASES

(Continuance of Protection)

1. Iron and steel manufactures (1947).	PTB 1'
2. Paper and paper pulp (1947).	PTB
3. Cotton textile manufactures (1947).	PTB
4. Sugar (1947).	
5. Magnesium chloride (1948).	
6. Silver thread and wire (1948).	
7. Bicycles (1949).	
8. Artificial silk (1949).	
9. Sericulture (1949).	
10. Alloy tool and special steel (1949).	
11. Sodium thiosulphate, sodium sulphite and bisulphite (under section 4(1) of the Act) (1949).	
12. Calcium chloride (1949).	
13. Grinding wheels (under section 4(1) of Tariff Act) (1949).	
14. Hurricane lanterns (under section 4(1) of Tariff Act) (1949).	
15. Sugar (1949).	
16. Preserved fruits (1949).	
17. Coated abrasives (under section Tariff Act) (1949).	
18. Antimony (1949).	
19. Phosphates and phosphoric acid	

20. Starch (1949).	PTB 163
21. Bichromates (1949).	PTB 168
22. Ferro-silicon (1949).	PTB 169
23. Sewing machines (1949).	PTB 170
24. Cocoa powder and chocolate (1949).	PTB 172
25. Electric motors (1949).	PTB 166
26. Steel belt lacing (1949).	PTB 171
27. Cotton and hair belting (1949).	PTB 173
28. Calcium chloride (1950).	PTB 175
29. Sugar (1950).	PTB 179
30. Potassium permanganate (1950).	PTB 176
31. Wood screws (1950).	PTB 177
32. Dry battery (1950).	PTB 180
33. Oleic acid and stearic acid (1950).	PTB 178
34. Plywood and teachests (1950).	PTB 181

II. PRICE REPORTS

1. Cotton yarn and cloth prices (1948).	PTB 127
2. Paper prices (1948).	PTB 130
3. Fair ex-works prices of superphosphate (1949).	PTB 139
4. Fair retention prices of steel produced by the Tata Iron & Steel Company and the Steel Corporation of Bengal (1949).	PTB 135
5. Ex-works costs of hot metal (Iron for steel making) and fair ex-works prices of pig iron (Basic and foundry grade) (1949).	PTB 137
6. Fair retention prices of steel produced by Mysore Iron & Steel Works, Bhadravati (1949).	PTB 151
7. Fair retention prices of steel produced by the Tata Iron & Steel Company and the Steel Corporation of Bengal (1951).	PTB 205

All the above reports are available with the Manager of Publications, Civil Lines, Delhi, and the Secretary, Indian Tariff Board, Contractor Building, Nicol Road, Ballard Estate, Bombay I.